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PRESERVATION PARTNERS: A REHABILITATION LEADER EMERGES



One Transformation at a Time

Residential rehabilitation firm expands its reach with developments across the country



Preservation Partners

CEO :: Chuck Treatch | VP of Construction :: Nick Tufano
Location :: Torrance, California

In an increasingly competitive development climate, some firms have opted to maximize their productivity and forego ground-up construction in favor of the creative renovation and revitalization of existing properties.

Preservation Partners, based in Torrance, California, specializes in the large-scale rehabilitation of residential properties across the United States. Often, these assets are in poor condition and at risk of being redeveloped into market rate. Preservation Partners looks to maintain



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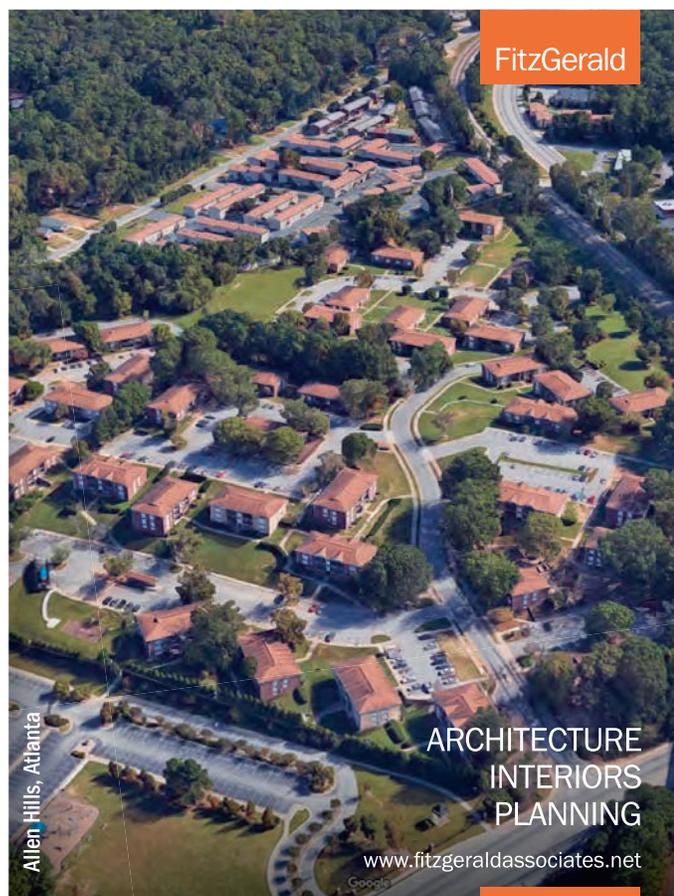
FitzGerald is proud to support Preservation Partners as they preserve and elevate affordable housing across the United States. With hundreds of units completed and just as many under construction and on the boards, we appreciate the chance to work closely with PPD and PPMG to revitalize housing and stabilize communities to meet the needs of individuals and families.

the affordability of its assets for the long term through high-quality development and sound management.

“We look at things as owners in perpetuity, which gives us a different perspective on everything,” says Nick Tufano, Vice President of Construction at Preservation Partners. “[We] spend a lot of time together up front on all the deals, analyzing existing conditions and the types of things we can do to improve the projects throughout the renovation process. We’ve got a good team of engineers, consultants and architects who work with us as we are taking the project through the due diligence period to make sure that we are looking at all the right things that we need to make sure the property is going to perform well.”

BUILDING STRONG RELATIONSHIPS

Preservation Partners has acquired two large residential properties in Atlanta. It plans to rehabilitate 800 units between them.



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The firm acquired Allen Hills, a 458-unit property, in March 2018 and anticipates completing the renovations by April 2019. Renovations are also underway at Rolling Bends, a 354-unit property. The firm anticipates completion of the first phase in 2019 and completion of the second phase by the end of 2020.

The considerable scale of these developments presented a challenge for the team at Preservation Partners. Allen Hills, constructed in 1969, and Rolling Bends, constructed in 1970, each require significant work to improve their mechanical systems, increase their efficiency and expand the services available to residents.

Another consideration was enhancing security for residents—especially children. Prior to the firm's acquisition of Rolling Bends, residents had concerns about allowing children to play in the property's common areas due to a perceived lack of safety.

Through several improvements, Preservation Partners has provided residents with peace of mind and greater sense of security.

"A lot of our effort there has been put toward site security, fencing, cameras and things like that," Tufano says. "There are so many kids on the property that we are trying to change people's mentality. When I first went to those properties, kids would not play outside. Now you go to the properties and kids are everywhere—they're playing basketball, football [and more]. It's really cool to see."

Preservation Partners' impact extends far beyond its commitment to transforming properties, however. The firm also strives to transform the attitudes of its residents, taking on renovations of many properties that have long been neglected. By investing in the future of these communities and improving living conditions, Preservation Partners cultivates a sense of pride and ownership among renters that leads to improved quality of life.

RELATIVITY ARCHITECTS

Relativity Architects (RA) is a Los Angeles based architectural studio founded by Tima Bell, Assoc. AIA and Scott Sullivan, AIA. RA pursues projects that demand innovative and progressive answers. Whether in a piece of furniture or an urban master plan, our ambitions are to materialize inventive solutions into influential, evocative, and functional design projects. RA produces work in the realms of affordable housing, master planning, building design, interiors and rehabilitation. Our extensive affordable housing portfolio includes projects ranging from 20 units to 200 units. We are honored to be a continued partner with Preservation Partners in the development of successful, affordable communities for all residents across the State of California.

TUFANO HAS SEEN THESE EFFECTS IN ACTION.

“When we come in, everyone is sort of cautiously optimistic at best—they think we are just going to be another Section 8 donor that’s not going to care about them,” he says. “Once they start to see the change in the units as we go through renovation, it all becomes very real for them. They change their attitudes and start to treat their units like they own them. They take some pride in occupying the units.”

A CONSIDERABLE IMPACT

Preservation Partners holds an impressive portfolio of real estate assets that includes 60 properties,

with 7,766 units under its management and several new deals in the pipeline. In 2017, just three organizations preserved more affordable housing units than Preservation Partners nationally. The firm intends to grow its portfolio of managed units to 10,000 within the next few years.

“In 2019, our pipeline currently has eight deals under contract, slated to close, with over 680 units. We are under consideration for another 500 to 2,000 units, as well,” says Chuck Treach, CEO of Preservation Partners. “Most people are focused on creating new affordable housing opportunities,



WE’VE BEEN REALLY FORTUNATE TO HAVE GOOD PARTNERS AND CULTIVATE A GREAT GROUP OF ARCHITECTS AND ENGINEERS ALL OVER THE COUNTRY.

-Nick Tufano





while we are trying to preserve a program that provides deeper subsidy to our residents in the HUD Section 8 program.”

Another one of the firm’s upcoming rehabilitation efforts is La Puente Park, a 132-unit property in Puente, California that was built in 1969. Preservation Partners acquired and rehabilitated the property in 2002. The firm now plans on rehabilitating it once again to expand its amenities, provide residents with additional services and update the interior and exterior features.

“We expanded the community room to be able to facilitate our service provider [Cornucopia Services] to be able to better accommodate the residents,” Tufano says. “We try to spread out our amenities throughout the property. There are a couple smaller playgrounds because we tried to make it so that you did not necessarily have to go to this one central place and everyone crowd there. You can have other [spaces] throughout the property where you talk to people and neighbors and really can develop that sense of community.”

HOLISTIC RENOVATIONS

In rehabilitating its residential properties, Preservation Partners can improve more than the appeal, comfort and amenities of multifamily housing. The firm’s team also addresses environmental concerns and sustainability. One of the most significant sources of energy waste in residential properties is inefficient heating and cooling, which is why Preservation Partners closely examines energy consumption, among other things, during its rehabilitation efforts.

“I cannot tell you how many properties I’ve gone to, whether they are market rate or affordable, that have bad heating systems,” Tufano says. “The heat doesn’t work properly, and so the residents have their windows open because it’s heating the property too much. It’s very common and one of the things that I really like to focus on fixing.”

Preservation Partners delivers transformative results for communities and residents through a collaborative approach with its partners. Its team coordinates seamlessly with architects,



contractors, service providers, investors and other stakeholders to plan, develop and deliver products that optimize value and impact.

“We’ve been really fortunate to have good partners and cultivate a great group of architects and engineers all over the country,” Tufano says. “They are part of the team—it’s never me against them or our company against

their company. If there’s a miss, we all find a way to solve the problem. We have a mutual respect for each other, and everybody knows that with the volume we are doing, we are all going to stay busy. We all get to impact more lives and improve more people’s homes.”

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Ashwood Construction, Inc. was founded in 1976 in Fresno, CA under the Ashwood Homes, Inc. moniker. In 1989 Michael J. Conway took sole control of the company and founded Ashwood Construction, Inc. Our developer relationships span the range from cities and not-for profit organizations to large, private development companies to individuals looking to develop a single piece of land. We have constructed projects sponsored by HOME, CalHFA, LIHTC, HUD, CDLAC, MHP and are well versed in the significant requirements imposed with subsidized construction. We’ve done it all and are proud of our product. We are well-seasoned construction professionals.

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